



**COSTA MESA SANITARY DISTRICT
MINUTES OF BOARD OF DIRECTORS REGULAR MEETING
MAY 12, 2005**

CALL TO ORDER

The Board of Directors of the Costa Mesa Sanitary District met in regular session on May 12, 2005, at 6:00 p.m. at 628 W. 19th Street, Costa Mesa.

President Ferryman called the meeting to order at 6:00 p.m.

PLEDGE OF ALLEGIANCE

Director Perry led the Pledge of Allegiance

INVOCATION

Director Woodside gave the invocation.

ROLL CALL DIRECTORS PRESENT:

James Ferryman, Greg Woodside, Art Perry, Arlene Schafer, Dan Worthington

DIRECTORS ABSENT:

None

STAFF PRESENT:

Robin B. Hamers, Manager/District Engineer; Alan Burns, Legal Counsel; Tom Fauth, Assistant Manager; Joan Revak, Board Secretary/Program Manager/Clerk of the District; Wendy Davis, Treasurer; Denise Gilbert, Permit Processing Specialist; Debbie Bjornson, Permit Processing Specialist; Ron Shef, District Ordinance Enforcement Officer

OTHERS PRESENT:

Mike Eadie, Rutter Development, 18012 Cowan, #200, Irvine, CA 92614

Jay Rutter, Rutter Development, 18012 Cowan, #200, Irvine, CA 92614

Gina Kevilian, 2414 Niagara Way, Costa Mesa



..... **CONSENT CALENDAR**

Director Schafer motioned to approve the Consent Calendar as presented.
Director Woodside seconded. Motion carried 5-0.

REPORTS

MINUTE APPROVAL

Minutes of Recycling
Committee Meeting,
April 11, 2005

The Minutes of the Recycling Committee Meeting
of April 11, 2005, were approved as distributed.

Minutes of Regular
Meeting,
April 14, 2005

The Minutes of the Regular Meeting of April 14,
2005, were approved as distributed.

MANAGER'S REPORTS

Refunds

There were no refunds requested for the month of
April 2005.

Occupancy Report and
Payment of \$188,875.98
to Costa Mesa Disposal –
May 2005

The Trash Occupancy Count documented an
increase of 1 unit for the occupancy report for solid
waste collection as of May 1, 2005. Therefore,
the total for May is 21,249.

Board directed Staff to prepare a warrant for
\$188,875.98 to Costa Mesa Disposal on June 1,
2005, for payment for May trash collection based on
the May count of 21,249.

Monthly Spill Report to
Regional Water Quality
Control Board (RWQCB)

The Monthly Spill Report to the Regional Water
Quality Control Board (RWQCB) for April 2005 was
accepted as submitted.

ENGINEER'S REPORTS

Project Status Report

The Project Status Report dated May 2005 was
accepted as submitted.



Safety/Loss Control
Meeting Minutes
April 19, 2005

The Minutes of the Safety/Loss Control Meeting of April 19, 2005, were approved as distributed.

TREASURER'S REPORTS

Financial Report as of
March 31, 2005

The Financial Report as of March 31, 2005 was accepted as submitted.

Treasurer's Reports as of
April 30, 2005

The Treasurer's Reports as of April 30, 2005 was received and filed.

Warrant 2005-11 for May
2005 in the amount of
\$1,205,953.70

Warrant Resolution #CMSD 2005-11 was approved, ratifying the payment of certain claims and demands totaling \$1,205,953.70 and specifying the funds out of which the same were paid and authorizing the President and Secretary to sign the warrant.

Directors Expenses for the
Month of April 2005

Director Compensation and Expense Reimbursement for the Month of April 2005 were approved and ratified as follows:

Director Ferryman: \$850.00
Director Perry: \$680.00
Director Schafer: \$1,046.32
Director Woodside: \$170.00
Director Worthington: \$1,240.23

..... **END OF CONSENT CALENDAR**

PUBLIC COMMENTS

There were no public comments made.

ENGINEER'S REPORTS

PROPOSED DEVELOPMENT AT 1901 NEWPORT BLVD., EXCESS SEWER FLOWS

Mr. Hamers introduced Mr. Jay Rutter and Mr. Mike Eadie from Rutter Development.



Mr. Hamers provided a brief background to the Board regarding the history of the property at 1901 Newport Boulevard.

Discussion was held regarding sewer capacity and various options to provide sewer service to the new proposed development.

Mr. Rutter addressed the Board stating they attempted to negotiate access through a neighboring property. Mr. Rutter stated the fee requested for the access was substantial and his company would prefer the option of in-lieu fees being paid to the District that will provide a benefit to the District's sewer system serving the proposed development.

Director Schafer motioned to approve in concept a development agreement with Rutter Development for in-lieu fees of \$100,000 under District Ordinance 7.06.020 (previously known as Ordinance 21) to be put toward the Westside Pumping Station Abandonment project for alternate sewer connection for 145 units to be constructed at 1901 Newport Boulevard and tied into Bernard Street. Director Perry seconded. Motion carried 5-0.

Mr. Hamers encouraged Mr. Rutter to attempt to negotiate with the neighboring property once again and advise him of the outcome.

Mr. Jay Rutter and Mr. Mike Eadie left the meeting at 6:32. p.m.

WRITTEN COMMUNICATIONS

There were no written communications.

MANAGER'S REPORTS

STANDARDIZED TRASH CONTAINER PROGRAM REPORTS

Mr. Fauth provided summary report and multiple charts depicting the number of trash containers distributed within the District, ROTO orders by fiscal year, and a tonnage comparison within the District by fiscal year. Mr. Fauth also presented a summary data chart depicting the current solid waste disposal trend throughout the State of California.

Mr. Hamers concluded the increase in tonnage experienced in Costa Mesa appeared to be following the trend of the State of California.



Mr. Fauth also provided a report on the number of containers replaced by ROTO due to container damage, with the exception of lift bar repair which was done in the field. Mr. Fauth noted the repair percentage was decreasing.

Director Worthington requested Mr. Fauth do a comparison by representative routes for the increase in tonnage percentage.

Mr. Shef presented the ordinance enforcement summary report covering the month of April 2005.

Mr. Shef's summary report contained the following information:

- 20 flyers given to residents and 6 containers oversprayed for graffiti

Mr. Shef will prepare a list of gate codes needed to distribute flyers. Ms. Gilbert will obtain the codes.

Director Worthington reported he had gone along with Mr. Shef on two different occasions to observe the District during trash collection. Director Worthington prepared a list of ten different concerns such as numbering on trucks and containers without lids.

Director Worthington had suggested some of the items be agendized and expressed dissatisfaction that this had not yet occurred. Director Worthington also reported he had not been contacted or advised that the list was being addressed by Staff. Mr. Hamers reported he had discussed the list with Director Worthington on two occasions.

Director Worthington suggested high school students who require public service hours be utilized to paint over graffiti on trash containers. Director Perry reported the school district would not allow students to participate in painting the containers.

Mr. Hamers thanked Director Worthington for his comments and reported the list had been reviewed at Staff level and that the items of concern were being addressed.

Mr. Fauth reported he was addressing the issues and apologized for not notifying Director Worthington that items were being dealt with.

President Ferryman requested the Board be kept apprised of the status of the listed concerns.

Ms. Gina Kevilian arrived at 7:12 p.m.



CMSD STRATEGIC PLAN

YEAR 2005 STRATEGIC PLANNING ACTION ITEMS

Mr. Hamers reported an updated Strategic Plan Action Items list was included in the Board packet.

Director Perry motioned to receive and file the Strategic Planning Action Items list. Director Schafer seconded. Motion carried 5-0.

NEW DISTRICT HEADQUARTERS

BUILDING AND GROUNDS AD HOC COMMITTEE

MEETINGS OF APRIL 25, 2005 AND MAY 11, 2005

Directors Perry reported the Committee has met twice and provided recommendations to the Board.

The Board reviewed the recommendations for replacement doors and a flagpole.

Director Perry motioned to approve \$10,500 from the unreserved fund balance of the sewer fund (\$5,000 for front and rear door replacement, and \$5,500 to purchase and install a 33-foot flag pole, flags, and lighting) and allowing the Building and Grounds Ad Hoc Committee to make the final decision on the type of door and placement of flagpole. Director Schafer seconded. Motion carried 5-0.

RECYCLING REPORTS

WASTE DIVERSION REPORT – APRIL 2005

Ms. Revak presented the Waste Diversion Reports for April 2005 showing a 50.92% diversion rate. Director Schafer motioned to receive and file the Waste Diversion Report. Director Perry seconded. Motion carried 5-0.

CONTRACT PAYMENT TO CR TRANSFER FOR RECYCLING SERVICES AND DISPOSAL

PAYMENT FOR APRIL 2005 SERVICES

Ms. Revak reported the contract payment is still being reconciled.



COSTA MESA PUBLIC SAFETY EMERGENCY SERVICES EXPO SUNDAY, MAY 15, 2005, 11:00 A.M. – 3:00 P.M.

Mr. Fauth reported the Expo will be held on Sunday, May 15, 2005, 11:00 a.m. – 3:00 p.m. The District will host a booth and have promotional materials and an active worm bin, which will be used for demonstration and given away at the end of the event.

RECYCLING COMMITTEE – FRIDAY, MAY 6, 2005 - 12:00 P.M., CMSD BOARDROOM, 628 W. 19TH STREET, COSTA MESA, DIRECTORS WOODSIDE AND PERRY

RECYCLING COMMITTEE GOALS FOR 2005/2006

Director Woodside reported a Girl Scout troop will participate by collecting plastics for recycling. Mr. Fauth will provide an educational presentation to the troop before they begin the collection and recycling process.

The Boys and Girls Club will also be participating in a future project.

HIGH SCHOOL TOUR OF CR TRANSFER AND OC LANDFILL TUESDAY, MAY 24, 2005

Director Woodside reported the tour for Estancia High School students will be held on May 24, 2005.

CLASSROOM RECYCLING PROJECTS

Mr. Fauth reported he received a suggested contact from Director Worthington. Ms. Gilbert will follow up on that lead.

ENGINEER'S REPORTS (REVISITED)

WASTE DISCHARGE REQUIREMENTS – (WDR)

GENERAL UPDATE

Mr. Burns provided a brief synopsis of a federal lawsuit filed by CoastKeepers against the City of Garden Grove.

Discussion was held regarding the ramifications of this lawsuit on the Costa Mesa Sanitary District.



The Board directed Mr. Burns to monitor the lawsuit and keep the Board apprised of its progress.

GREASE CONTROL PROGRAM DEVELOPMENT PROJECT NO. 174

PROGRAM IMPLEMENTATION EEC

Mr. Hamers reported Staff is working with the EEC and achieving compliance and moving ahead.

USE OF OCHCA INSPECTORS

Mr. Hamers reported the Orange County Health Care Agency is working on the agreement with OCSD and the Steering Committee. Mr. Hamers anticipates using OCHCA inspectors in restaurant inspections.

CONSIDERATION OF CHARGES TO FOOD SERVICE ESTABLISHMENTS

Mr. Hamers reported the item has been approved in concept and charges will be applied to all properties in the District.

Mr. Fauth provided a brief review of his report distributed to the Board on the number of food service establishment permits signed and returned to the District.

OCSD COOPERATIVE PROJECTS GRANT –TELEVISIONING OF CMSD SEWER LINES

Mr. Hamers reported the agreement is being finalized and will be presented to the Board in June or July.

WESTSIDE PUMPING STATION ABANDONMENT, PROJECT NO. 101

Mr. Hamers provided a brief report to the Board. Mr. Hamers reported an EIR may be required and will update the Board as more information is available.

TREASURER'S REPORTS

2005-2006 BUDGET CALENDAR

Ms. Davis reported the Budget meeting will be held on May 24, 2005 at 11:30 a.m.



2003-2004 AUDIT UPDATE

Ms. Davis reported the auditor, Conrad and Associates, LLP, reviewed the District's records and a report will be presented to the Board as soon as it is received.

2004 ELECTION COSTS

Ms. Davis presented a report regarding the increase in election expenses. Ms. Davis contacted the Registrar of Voters who provided the following reasons for the overall increased costs:

- Board of Supervisors directed an increase in training provided to precinct workers
- More precincts overall in the November 2004 election
- The Early Voting Program allowed Voters to go to one of 30 different sites for the three weeks prior to the election to vote
- The Secretary of State mandated that the Registrar of Voters provide paper ballots as well as the electronic ballot
- The November 2004 ballot was two pages which was much more expensive to print than the one page November 2002 ballot
- In November 2004, the ballot materials were required to be translated into four languages versus two in 2002

Staff will monitor potential charges for the next election.

CREATION OF TRASH COLLECTION RATE STABILIZATION FUND

Ms. Davis reported Staff met with Mr. Marc Davis, CBIZ Accounting, Tax and Advisory of Orange County, LLC, and Mr. Burns to discuss possible options to lower and/or stabilize the yearly trash collection charges.

Discussion was held.

President Ferryman suggested a study session be held to investigate the topic in detail.

A meeting was set for May 24, 2005, 12:00 to 1:30 p.m.

The 2005-2006 Budget review meeting was changed to Wednesday, June 1, 2005 at 11:30 a.m.



ATTORNEY'S REPORTS

CITY/DISTRICT OPERATING AGREEMENT

Mr. Burns had no additional information for the Board.

Mr. Hamers reported there is a possibility of retirements occurring that would alter the course of the City/District operating agreement. Mr. Hamers will keep the Board updated.

RECORDS DESTRUCTION POLICY

Mr. Burns reported the Records Destruction Policy is being prepared. Ms. Revak is receiving input on necessary categories.

CMSD ADMINISTRATIVE REGULATIONS

Mr. Burns presented a copy of the Administrative Regulations for the Board's final review. Mr. Hamers will be signing the AR's

LOCAL MEETINGS

Mr. Burns reported there was a need to discuss a non-agenda item regarding proposed legislation.

Director Perry motioned that the need arose to discuss an item that occurred after the agenda was prepared and there was a need to take immediate action. Director Schafer seconded. Motion carried 5-0.

Discussion was held regarding SB 926, proposed legislation on biosolids land application in Kern County. Mr. Burns reported CASA is opposing the legislation due to the precedent it would set.

Director Perry motioned to direct Mr. Burns to write a letter opposing the legislation as requested by CASA. Director Schafer seconded. Motion carried 5-0.

ORANGE COUNTY SANITATION DISTRICT (OCSD)

REGULAR MEETING – APRIL 27, 2005 (DIRECTOR FERRYMAN)

Director Ferryman attended the OCSD meeting and reported the following:

- OCSD Rates
- Tour of site to pelletize sludge



INDEPENDENT SPECIAL DISTRICTS OF ORANGE COUNTY (ISDOC)

President Schafer attended the May 10, 2005 meeting and discussed the following:

- Special Districts vote on changing formula to accommodate Vector Control and Cemetery Districts
- Updates on LAFCO and CSDA
- Next General meeting will be held June 30, 2005

LOCAL AGENCY FORMATION COMMISSION (LAFCO)

Director Schafer attended the May 11, 2005, LAFCO meeting and reported the following:

- Presentation on Sphere of Influence Policy
- MSRs
- Information provided for Board's perusal

LAFCO FINAL BUDGET FOR FISCAL YEARS 2005-2006, 2006-2007, 2007-2008

Ms. Revak reported a packet was received from LAFCO regarding LAFCO's final budget for Fiscal Years 2005-2006, 2006-2007, 2007-2008. The report was accepted as submitted.

CALIFORNIA SPECIAL DISTRICTS ASSOCIATION (CSDA)

Director Schafer attended the May 5-6, 2005 CSDA meeting and reported they discussed the following:

- Governor's budget
- Salinas bill vs. Ortiz bill
- Pending legislation and public pension reform
- Hostile water district takeover
- Rio Linda seeking cityhood
- Redistricting

SPECIAL DISTRICT GOVERNANCE ACADEMY APPLICATION FOR INDIVIDUAL RECOGNITION

Ms. Revak reported Directors Worthington and Schafer received a letter from CSDA regarding graduation from CSDA's Special District Governance Academy. The cost for the certificate is \$65.



Director Ferryman will investigate whether he has qualified for the certificate.

Director Perry motioned to approve payment for up to \$195 (pending verification of Director Ferryman's qualification for certificate). Director Woodside seconded. Motion carried 5-0.

Director Worthington suggested developing a wall area in the District offices to display awards and plaques received by District members.

CALIFORNIA ASSOCIATION OF SANITATION AGENCIES (CASA)

SPRING CONFERENCE, APRIL 27-30, 2005 IN NAPA VALLEY (DIRECTOR WORTHINGTON)

Director Worthington attended the Spring CASA Conference and provided a report to the Board.

MEETINGS OF: COSTA MESA CITY COUNCIL, OCCOG, WACO, CHAMBER OF COMMERCE

OCCOG

Director Schafer attended and reported the following:

- Chris Norby given oath

OLD BUSINESS

There was no old business discussed.

NEW BUSINESS

There was no new business discussed.

ORAL COMMUNICATIONS AND DIRECTOR COMMENTS

Director Schafer commended Staff on the newsletter.

President Ferryman reminded the Board the Lion's Club Fish Fry will be June 4 and 5 at Lion's Park.



ADJOURNMENT

At 8:36 p.m., President Ferryman adjourned the meeting.

SECRETARY

PRESIDENT